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## DEPARTMENT OF HOMELAND SECURITY

### U. S. Customs and Border Protection

#### **Notice Announcing the Automated Commercial Environment (ACE) as the Sole CBP-Authorized Electronic Data Interchange (EDI) System for Processing Electronic Drawback and Duty Deferral Entry and Entry Summary Filings**

**AGENCY:** U.S. Customs and Border Protection, Department of Homeland Security.

**ACTION:** General notice.

**SUMMARY:** This document announces that the Automated Commercial Environment (ACE) will be the sole electronic data interchange (EDI) system authorized by the Commissioner of U.S. Customs and Border Protection (CBP) for processing electronic drawback and duty deferral entry and entry summary filings. This document also announces that the Automated Commercial System (ACS) will no longer be a CBP-authorized EDI system for purposes of processing the electronic filings specified in this notice. This notice also announces a name change for the ACE filing code for duty deferral and the creation of a new ACE filing code for all electronic drawback filings, replacing the six distinct drawback codes previously filed in ACS.

**DATES:** Effective October 1, 2016: ACE will be the sole CBP-authorized EDI system for processing electronic entry and entry summary filings for certain entry types, and ACS will no longer be a CBP-authorized EDI system for purposes of processing the electronic filings specified in this notice.

**FOR FURTHER INFORMATION CONTACT:** Questions related to this notice may be emailed to [ASKACE@cbp.dhs.gov](mailto:ASKACE@cbp.dhs.gov) with the subject line identifier reading “ACS to ACE October 1, 2016 transition”.

**SUPPLEMENTARY INFORMATION:****Background**Statutory Authority

Section 484 of the Tariff Act of 1930, as amended (19 U.S.C. 1484), establishes the requirement for importers of record to make entry for merchandise to be imported into the customs territory of the United States. Customs entry information is used by U.S. Customs and Border Protection (CBP) and Partner Government Agencies (PGAs) to determine whether merchandise may be released from CBP custody. Importers of record are also obligated to complete the entry by filing an entry summary declaring the value, classification, rate of duty applicable to the merchandise and such other information as is necessary for CBP to properly assess duties, collect accurate statistics and determine whether any other applicable requirement of law is met.

The customs entry requirements were amended by Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057, December 8, 1993), commonly known as the Customs Modernization Act, or Mod Act. In particular, section 637 of the Mod Act amended section 484(a)(1)(A) of the Tariff Act of 1930 (19 U.S.C. 1484(a)(1)(A)) by revising the requirement to make and complete customs entry by submitting documentation to CBP to allow, in the alternative, the electronic transmission of such entry information pursuant to a CBP-authorized electronic data interchange (EDI) system. CBP created the Automated Commercial System (ACS)

to track, control, and process all commercial goods imported into the United States. CBP established the specific requirements and procedures for the electronic filing of entry and entry summary data for imported merchandise through the Automated Broker Interface (ABI) to ACS.

#### Transition From ACS to ACE

In an effort to modernize the business processes essential to securing U.S. borders, facilitating the flow of legitimate shipments, and targeting illicit goods pursuant to the Mod Act and the Security and Accountability for Every (SAFE) Port Act of 2006 (Pub. L. 109-347, 120 Stat. 1884), CBP developed the Automated Commercial Environment (ACE) to eventually replace ACS as the CBP-authorized Electronic Data Interchange (EDI) system. Over the last several years, CBP has tested ACE and provided significant public outreach to ensure that the trade community is fully aware of the transition from ACS to ACE.

On February 19, 2014, President Obama issued Executive Order (E.O.) 13659, Streamlining the Export/Import Process for America's Businesses, in order to reduce supply chain barriers to commerce while continuing to protect our national security, public health and safety, the environment, and natural resources. See 79 FR 10657 (February 25, 2014). Pursuant to E.O. 13659, a deadline of December 31, 2016, was established for participating Federal agencies to have capabilities, agreements, and other requirements in place to utilize ITDS and supporting systems, such as ACE, as the primary means of receiving from users the standard set of data and other relevant documentation (exclusive of applications for permits, licenses, or certifications).

On October 13, 2015, CBP published an Interim Final Rule in the **Federal Register** (80 FR 61278) that designated ACE as a CBP-authorized EDI system. The designation of ACE as a CBP-authorized EDI system was effective November 1, 2015. In the Interim Final Rule, CBP stated that ACS would be phased out and anticipated that ACS would no longer be supported for entry and entry summary filing by the end of February 2016. Filers were encouraged to adjust their business practices so that they would be prepared when ACS was decommissioned.

CBP has developed a staggered transition strategy for decommissioning ACS. The first two phases of the transition were announced in a **Federal Register** notice on February 29, 2016. See 81 FR 10264 (February 29, 2016). The third phase of the transition was announced in a **Federal Register** notice on May 16, 2016. See 81 FR 30320 (May 16, 2016). The fourth phase of the transition was announced in a **Federal Register** notice on May 23, 2016. See 81 FR 32339 (May 23, 2016). This notice announces the fifth phase of the transition.

In this phase, CBP will decommission ACS for all drawback and duty deferral filings. Additionally, CBP is removing the reference to NAFTA from the name of the ACE filing code 08 for duty deferral and is announcing a new ACE filing code 47 for drawback, which will replace the following decommissioned ACS filing codes:

- 41 - Direct Identification Manufacturing Drawback
- 42 - Direct Identification Unused Merchandise Drawback
- 43 - Rejected Merchandise Drawback
- 44 - Substitution Manufacturer Drawback
- 45 - Substitution Unused Merchandise Drawback

- 46 - Other Drawback

ACE as the Sole CBP-Authorized EDI System for the Processing of Certain Electronic Entry and Entry Summary Claims

This notice announces that, effective October 1, 2016, ACE will be the sole CBP-authorized EDI system for the electronic entry and entry summary filings listed below, for all filers. These electronic filings must be formatted for submission in ACE and will not be accepted in ACS.

- 08 - Duty Deferral
- 47 - Drawback

ACS as the Sole CBP-Authorized EDI System for the Processing of Certain Electronic Entry and Entry Summary Filings

Electronic entry and entry summary filings for the following entry type must continue to be filed only in ACS. CBP will publish a subsequent **Federal Register** Notice in the future when this entry and entry summary filing will be transitioned in ACE.

- 09 - Reconciliation Summary

Due to low shipment volume, filings for the following entry types will not be automated in either ACS or ACE

- 04 - Appraisalment
- 05 - Vessel - Repair
- 24 - Trade Fair
- 25 - Permanent Exhibition
- 26 - Warehouse - Foreign Trade Zone (FTZ) (Admission)

- 33 - Aircraft and Vessel Supply (For Immediate Exportation)
- 64 - Barge Movement
- 65 - Permit to Proceed
- 66 - Baggage

Dated: August 25, 2016

R. Gil Kerlikowske

Commissioner  
U.S. Customs and Border Protection

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